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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



DAN WYANT
DIRECTOR

VIA E-MAIL

TO: Carol Morey Viventi, Secretary of the Senate
Gary Randall, Clerk of the House of Representatives

FROM:  James M. Kasprzak, Chief, Administration Division

DATE: September 30, 2011

SUBJECT: Report on Part 173, Electronics Fees

The Department of Environmental Quality (DEQ) respectfully submits this report in accordance with Section 17317(9) of Part 173, Electronics, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. Part 173 requires a biennial report that assesses the adequacy of the fees collected from manufacturers and recyclers of covered electronic devices and makes any recommendations to modify those fees.

Electronic Waste Recycling Fund (Fund) Revenues and Expenses

The following table contains a summary of the Fund account revenues and expenses. Revenue is received from the annual registrations paid by television, computer, and printer manufacturers and recyclers. Manufacturers must pay \$3,000 per year and electronics recyclers must pay \$2,000 per year. Expenses include the costs associated with administering the law. Part 173 was signed into law in December 2008. Annual registrations were first required in October 2009.

Fiscal Year (FY) 2009 Fund account revenue.....	\$6,000
FY 2009 Fund account expenses.....	\$0 ¹
FY 2010 Fund account revenue.....	\$225,400
FY 2010 Fund account expenses.....	\$142,200
Number of FY 2010 complete manufacturer registrations.....	59
Number of FY 2010 complete recycler registrations.....	15

¹ Program expenses were not charged to this account until FY 2010. During the first year, program implementation expenses were charged to the Solid Waste Staff Account.

FY 2011 Fund account revenue	\$244,700
FY 2011 Fund Expenses.....	\$194,200
Number of FY 2011 complete manufacturer registrations.....	71
Number of FY 2011 complete recycler registrations	20
Total revenue (FY 2009 through 2011).....	\$476,100
Total expenses (FY 2009 through 2011).....	\$336,400
Current Fund balance.....	\$139,700

The annual revenue received by the Fund meets the projections originally calculated during the creation of Part 173 and its funding mechanism. The Fund is not taking in more than anticipated and, therefore, will not exceed \$600,000 on December 31 of any year as limited by Section 17303(6) of Part 173.

Fund Adequacy

For the first three years, the DEQ has managed the Part 173 Electronic Waste Recycling Program by focusing on technical assistance, compliance assistance, and ensuring manufacturers are aware of their obligations under the law. Minimal effort has been placed on enforcement. The total revenue from the registration fees is adequate for this limited compliance assistance program.

Recommendation for Fee Modification

The DEQ does not recommend any changes to the fee at this time. If the Electronic Waste Advisory Council is convened to address the issues listed in Section 17313 of Part 173 and recommends modifications to Part 173 that require the DEQ to undertake additional activities (enforcement action against noncompliant manufacturers and recyclers, outreach to consumers about recycling opportunities, etc.), then additional funding may be necessary.

For additional information on Michigan's electronics waste takeback law of Part 173, please visit <http://www.michigan.gov/deqwaste> and click on "Electronic Waste Takeback Program." If you have any questions or need further information, please contact Liane J. Shekter Smith, P.E., Chief, Resource Management Division, at 517-373-9523, or you may contact me at 517-241-7427.

September 30, 2011

cc: Ellen Jeffries, Director, Senate Fiscal Agency
Mary Ann Cleary, Director, House Fiscal Agency
John Nixon, Director, Office of the State Budget
Dennis Muchmore, Governor's Office
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